



Getting Employers Involved

"Employer involvement" means more than simply asking employers to hire welfare recipients and possibly offering subsidies. It requires making employers active participants in WtW program design.

Positive Experiences a Well-Kept Secret

Employers who have hired welfare recipients report decisively positive experiences. In a 1998 survey of Welfare-to-Work Partnership members, 76% of the respondents said the former welfare recipients they hired were "good, productive employees;" almost half (48%) reported the same or better retention rates as for employees hired through standard channels.¹

However, employer participation in WtW efforts is not yet broad-based enough to ensure success.² Welfare recipients' employment is concentrated disproportionately in large companies and the service and retail sectors. Non-participating employers cite a lack of information about how to get involved, and a mistrust of government employment programs based on bad past experiences.

Employers' motivations for WtW participation include "corporate citizenship" and peer influence, but they are primarily business reasons. Major corporations who have hired welfare recipients report the following benefits:³

- ! Access to larger, more diverse labor pool
- ! Good, productive workers
- ! Reduced employee turnover
- ! Subsidies and tax credits
- ! Improved human resource policies and morale for all entry-level staff

Financial Incentives Not Enough

While employers who have already hired welfare recipients appreciate the cost offsets offered by wage subsidies and tax credits, financial incentives are effective only as part of a more comprehensive employer involvement strategy. Employers' administrative burden from using

incentives can outweigh the benefits.⁴ Most employers are willing to accept incentives if offered,⁵ but are unanimously and emphatically "more interested in finding qualified employees than in receiving subsidies."⁶ Without other types of involvement with employers, incentives are utilized little and may actually stigmatize the workers they are intended to help.⁷ In addition, inflexible "Work First" policies that push welfare recipients into jobs without adequate preparation and support "antagonize employers and undermine their confidence in the public sector."⁸

Better Business Involvement

In order to "sell" employers on hiring welfare recipients, programs must form partnerships with employers, inviting them to help shape the "product" through earlier, extended involvement. Additional forms of employer involvement include:⁶

- ! Providing speakers in pre-employment programs, e.g. orientation, job readiness / life skills training
- ! Developing training curricula
- ! Donating space and/or equipment for training
- ! Providing instructors for training
- ! Offering workplace tours, job shadowing, internships, and apprenticeships
- ! Reviewing resumes, conducting mock interviews
- ! Serving on program advisory board⁹

The following examples show how successful partnerships can work between WtW programs and employers.

Hospitality On-Site Training (HOST): Ohio

The Hospitality On-Site Training (HOST) program partners the Ohio Hotel and Lodging Association (OH&LA); Ohio Department of Education, Division of Career, Technical, and Adult Education (ODE); Ohio Restaurant Association; local public and vocational schools; and county Departments of Human Services (DHS). HOST began in Columbus in 1996 when OH&LA asked ODE for help with persistent labor shortages. Participating employers who have heard about the program through OH&LA and ODE marketing efforts include major hotel chains such as Crowne Plaza, Holiday Inn, Marriott, and Hyatt.

Interested participants are identified and referred by DHS and screened by the vocational school using ACT Work Keys. Selected individuals then attend a HOST job fair to be interviewed and hired for available positions. New classes begin four times a year and last nine months, combining classroom instruction and on-the-job training with individual counseling and other services to aid job retention. The instructors are certified teachers with hospitality experience.

Employers begin paying trainees as full employees with full benefits at the beginning of training. For TANF recipients, HOST participation meets their work requirement and the county TANF allocation covers their training costs.

HOST has attained a 70% retention rate in Columbus, where many graduates have already advanced to second-level positions. Building on its success in Columbus, HOST opened a new site in Dayton in September 1998.

See the program description in "Meeting Employer Demands: Emerging State Practices in Workforce Development" by the National Governors' Association, 2-19-1998, at <http://www.nga.org/Pubs/IssueBriefs/1998/980219WorkForceDev.asp>. Contact: Carolyn Gasiorek, Ohio Department of Education, (614) 644-6661, ve_gasiorek@ode.ohio.gov.

Stop Shop Save: Baltimore, MD

Baines Management Corporation (BMC), the nation's 14th-largest black-owned business, operates the Baltimore-area Stop Shop Save supermarket chain with 600 employees. The company wanted to reduce its employee turnover, improve its labor pool, and help the low-income, high-crime neighborhoods where most of its 15 stores are located. Using Empowerment Zone funds, BMC began a six-week training program for welfare recipients and other zone residents in 1996. The company designed the curriculum and opened its own training facility. Soon after, BMC approached the Baltimore Department of Social Services (DSS) as a result of the agency's ongoing employer outreach efforts and now gets most of its referrals from DSS.

Welfare reform made DSS "change our image and show we're serious about finding people jobs," says Alvin Truesdale. He supervises DSS' job development unit, which was renamed the Baltimore Employment Exchange. Every employer contacted receives an information packet explaining welfare reform, DSS work readiness and job retention services, and financial incentives. Truesdale advises: "Don't stigmatize welfare recipients. Portray them as human beings who need jobs, not as a group needing special treatment. At the same time, be able to provide a support structure once a person is hired."

BMC trainees referred by DSS continue receiving TANF plus a stipend from BMC. To offset its training costs, the company uses TANF grant diversion and various Federal and state tax credits.

BMC has trained about 200 TANF recipients to date and adapted parts of the training for other entry-level employees. Most of the earliest graduates still at Stop Shop Save are now supervisors.

See the program description in Welfare to Wages, vol. 2 at <http://www.mott.org/publications/weleempl.pdf>. Contacts: Erik Allen, BMC Director of Human Resources, (410) 783-8180, x221; Thomas Hardnett, the program's founder, (410) 963-1145; and Alvin Truesdale, Baltimore Employment Exchange, (410) 361-2485.

Yuma PIC: Arizona

Cultivating relationships with employers is crucial in depressed job markets. Yuma, Arizona's economy produces mostly part-time, seasonal, low-paying jobs and one of the nation's highest unemployment rates. To diversify its employer base and place more customers in permanent,

full-time jobs with benefits, in 1991 the Yuma PIC began collaborating with local employers to establish customized training for JTPA-eligible (low-income) adults, including welfare recipients.

The first partner was the public school system, a major employer offering high wages with fringe benefits. After a year-long discussion of possible options, addressing the shortage of qualified school bus drivers was identified as the best prospect. The PIC agreed to take over all applicant recruitment, screening, and comprehensive skill assessment; give selected applicants a two-week life skills and work maturity workshop; and pay for their subsequent occupational training and certification with JTPA funds. In return, the school district designed the curriculum, provided instructors, and committed to hire all successful graduates to full-time positions. This "Transportation Apprenticeship" has pleased all parties with its 90-95% completion rate, 74% retention rate through 1997, and current starting wage of \$8.31.

Its success has helped the PIC market customized training to other employers and start new programs in high-demand health occupations. However, Morales says the "model is not enough. The people running the program must be committed to continuous improvement and customer service." For example, Karen Cameron, a Vocational Case Manager at the PIC, is employers' single point of contact for customized training and is "always on call" to resolve any issue that may impact trainees' job performance. Seeking employer involvement is "more about relationship building than 'selling,'" adds Morales. "The relationship is the glue that holds it all together when problems arise."

See the program profile in USDOL/ETA's 1997 report, *More Best Practices ... Involving Employers in Training* at <http://wtw.doleta.gov/bestpractice/reports.htm>. Contacts: John Morales, Yuma PIC, (520) 329-0990; Delma Wilson, Yuma Schools Transportation Center, (520) 341-9076.

Studies on Business Partnerships

Welfare to Wages: Strategies to Assist the Private Sector to Employ Welfare Recipients²

This Mott Foundation report discusses ten avenues for connecting welfare recipients with employers, with case studies highlighting examples of each.

1. Industry associations
2. Individual employers
3. Private staffing or temporary employment agencies
4. Local business associations or Chambers of Commerce
5. Private, for-profit contractors
6. Community-based non-profit organizations
7. Education and vocational training institutions
8. Financial incentives to employers

9. Public-private partnerships
10. State and local welfare agencies

Business Partnerships: How to Involve Employers in Welfare Reform⁶

This MDRC report introduces examples of business partnerships in welfare reform, discusses the challenges involved, and gives step-by-step advice on how to:

- ! Research the local labor market
- ! Target employer involvement efforts
- ! Build and maintain public-private partnerships
- ! Market to employers
- ! Use financial incentives effectively
- ! Develop jobs for welfare recipients

Business Participation in Welfare-to-Work: Lessons from America³

Jobs for the Future summarized "lessons learned" for the British Government, based on interviews with 19 U.S.-based corporations operating in the U.K., including American and United Airlines; FedEx, UPS, Manpower, Marriott, McDonald's, Pizza Hut, Salomon Smith Barney, and Xerox.

NOTES

1. [Partnership and Promise: Leaders Support Welfare to Work](#). The Welfare to Work Partnership, 1998, or (202) 955-3005.
2. *Welfare to Wages: Strategies to Assist the Private Sector to Employ Welfare Recipients* by Brandon Roberts and Jeffrey Padden, vol. I, pp. 25-28, 34. Charles Stewart Mott Foundation, August 1998, <http://www.mott.org/publications/welfv1.pdf> or (800) 645-1766.
3. *Business Participation in Welfare-to-Work: Lessons from America*, pp. 10-11. Jack Mills and Richard Kazis, Jobs for the Future (JFF), January 1999, <http://www.jff.org/programs/cluster3/projects/busboard.html> or (617) 728-4446.
4. National Governors' Association, Private Sector Working Group on Welfare Reform, January 21, 1997, <http://www.nga.org/welfare/PrivateSectorWrkGrp.htm>.
5. Mott Foundation, p. 24.
6. Manpower Demonstration Research Corporation (MDRC), *Business Partnerships: How to Involve Employers in Welfare Reform* (Sec. 14, "Making the Most of Employer Incentives"), Amy Brown, et al., May 1998, <http://www.mdrc.org/Reports/business.htm> or (212) 532-3200.
7. MDRC (Sec. 7, "Research Findings").
8. Mott Foundation, p. 34; JFF p. 22.
9. MDRC, Sec. 7 and Sec. 15, "Ensuring That Welfare Recipients Are 'Job Ready.'"